

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Miami Resident Investigative Office
One East Broward Boulevard
Room 608
Ft. Lauderdale, FL 33301
(954)356-6850 Fax: (954)356-6852



June 20, 2007

Ms. Linda Beauchamp, Treasurer
United Steelworkers, Local Union 1342
3320 Azalea Circle
Lynn Haven, FL 32444

Re: Case Number [REDACTED]

Dear Ms. Beauchamp:

This office has recently completed an audit of United Steelworkers Local 1342 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with President Michael Raney and you on April 26, 2007, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

The CAP disclosed the following violations:

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a note can be

written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 1342's 2006 records revealed the following recordkeeping violation:

Officer and Employee Expenses

Union officers and employees failed to maintain adequate documentation for reimbursed expenses including purchases for postage stamps, beverage items, office supplies, cleaning and paint supplies. Receipts were kept for reimbursed expenses; however, the union did not always record the purpose of the expenses and not always include the names of individuals receiving the goods or services. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals receiving items paid for by the union and the locations (names of vendors) where expenses were incurred must also be recorded. These steps are necessary in order to verify that purchased items are being used for union business rather than personal use.

As agreed, provided that Local 1342 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

Reporting Violations

The CAP disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Local 1342 for fiscal year ending December 31, 2006, was deficient in the following area:

LM-3 Item 24 (All Officers and Disbursement to Officers)

Gross salaries and allowances to officers or employees were not properly reported in Item 24 (All Officers and Disbursements to Officers) of the Labor Organization Annual Report (Form LM-3). Allowances and other disbursements such as lost time

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were erroneously added to gross salaries. If your organization's officers or employees receive payments for lost time and reimbursements for postage, office supplies, food and beverage items, and cleaning and paint supplies, such expenses should be reported in the allowances and other disbursements portion of the LM-3.

Local 1342 submitted an amended LM-3 report and has now been filed, and therefore, the reporting deficiency was corrected.

I want to extend my personal appreciation to United Steelworkers Local 1342 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mr. Robert Alt, President
307 E. 5th Street
Panama City, FL 32401